

# HOUSE BILL REPORT

## HB 2948

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**As Reported by House Committee On:**  
Local Government & Housing

**Title:** An act relating to creating a study to evaluate public regional and interlocal water and sewer systems in Washington state.

**Brief Description:** Evaluating regional and interlocal water and sewer systems.

**Sponsors:** Representatives Eddy, McCoy, Springer, Goodman, Simpson, Seaquist and Roach.

**Brief History:**

**Committee Activity:**

Local Government & Housing: 1/28/10, 2/1/10 [DPS].

**Brief Summary of Substitute Bill**

- Creates a study group to evaluate public regional and interlocal water and sewer systems and water system partnerships.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Nelson, Vice Chair; Miloscia, Springer, Upthegrove, White and Williams.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Angel, Ranking Minority Member; Fagan and Short.

**Staff:** Becca Kenna-Schenk (786-7291) and Ethan Moreno (786-7386).

**Background:**

Overview of Water-Sewer Districts.

Water and sewer districts are units of local government initially authorized to provide potable water facilities, sanitary sewers, and drainage facilities. Legislation enacted in 1996 consolidated water district laws with sewer district laws and made a number of technical changes. Water-sewer district (district) powers include the authority to purchase, construct,

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maintain, and supply water to inhabitants within and outside of the district, and to develop and operate systems of sewers and drainage. In addition, districts have broad authority to create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from such wastewater.

#### Water-Sewer Services Within Overlapping Jurisdictions.

With certain exceptions, a district may not provide a service within an area in which that service is available from another district, or within an area in which that service is planned to be made available by another district unless both districts have expressed approval to do so by resolution. However, a district may provide reclaimed water services to persons outside the district.

#### Interlocal Cooperation Act.

Under the Interlocal Cooperation Act (ICA), public agencies, including local governments, are authorized to contract with one another to provide services either through cooperative action or when one or more agencies pay another agency for a service. A "public agency" for purposes of interlocal agreements includes any agency, political subdivision, or unit of local government. The term specifically includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

#### Watershed Management Partnerships.

A watershed management partnership is a type of interlocal agreement authorized by the ICA whereby two or more public agencies enter into agreements to form a partnership for the purpose of implementing a watershed management plan.

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### **Summary of Substitute Bill:**

The Governor must convene a study group to evaluate public regional and interlocal water and sewer systems and water system partnerships. "Regional water and sewer system" (regional system) means any public or publicly created regional or intergovernmental entity that provides water or sewer services to two or more local governments.

Study group members must consist of the following members:

- four state legislators, one from each caucus in the Senate and the House of Representatives;
- two representatives from a public regional water system, including one that was formed as a watershed management partnership;
- a representative from a regional sewer system that consists of at least three cities and one county;
- a representative from the Washington Association of Sewer and Water Districts;
- a representative from a public utility district; and
- two members with extensive legal and policy experience with both local government and water and sewer issues.

By December 1, 2010, the study group must submit to the Legislature and the Governor a report that, at a minimum, accomplishes the following:

- identifies all existing and developing regional systems and water system partnerships, as well as all known groups of local governments that are considering developing regional systems;
- outlines the history, objectives for forming, organizational structure, legal basis for formation and operation, and potential problems or challenges under the current law;
- reviews the laws, policies, and outcomes related to regional systems in at least two states that are known to have successful operating regional systems;
- evaluates and describes what potential benefits might be obtained by the formation of additional regional systems in the state, including consideration of potential operational efficiencies and cost and rate reductions; and
- identifies statutes that may discourage the formation and operation of successful regional systems and water system partnerships.

The study group must function within existing resources, and group members are encouraged to donate their time and resources to the study.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes to the original bill:

- includes the review and evaluation of water system partnerships (in addition to regional water and sewer systems) to the requirements of the study group;
- adds a representative from a public utility district to the list of study group members;
- adds an additional representative from a public regional water system to the list of study group members; and
- defines water system partnerships.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) There is a need for more clarity in statutes governing regional water systems and water system partnerships. As communities become more complex, local governments often look for ways to provide services more efficiently. Local communities can only use the mechanisms we give them. This bill provides an opportunity for entities providing water and sewer services to collaboratively evaluate the current law and find new mechanisms for providing services more efficiently. It is also an opportunity for the Legislature to be proactive in encouraging and creating regional planning organizations that deliver water and sewer services, which will be more and more necessary as the demand for water services the challenges of service delivery increase. The Cascade Water Alliance is a watershed

management partnership comprised of the Cities of Bellevue, Issaquah, Kirkland, Redmond, and Tukwila, as well as the Sammamish Plateau and Skyway Water Sewer Districts and the Covington Water District. Over the last 10 years, the Cascade Water Alliance has encountered many challenges related to being recognized as a governing agency. The LOTT Alliance, which serves the Cities of Lacey, Olympia, and Tumwater, as well as Thurston County, has faced similar problems. Greater clarity is needed in current statute with regard to the rights and authorities of similar regional governmental organizations and partnerships, especially as other local governments consider forming regional alliances in the future.

(Opposed) None.

**Persons Testifying:** Representative Eddy, prime sponsor; and Cindy Zehnder, Chuck Clarke, and Rick Hughes, Cascade Water Alliance.

**Persons Signed In To Testify But Not Testifying:** None.